

## **Minutes of the Finance Committee**

**Wednesday, November 3, 2010**

Chair Haukohl called the meeting to order at 8:32 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Bill Zaborowski, Pamela Meyer, and Rob Hutton. Dave Falstad arrived at 8:36 a.m. **Absent:** Jim Heinrich and Ted Rolfs.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth; Supervisors Duane Paulson, Dave Swan, and Fritz Ruf; Administration Director Norm Cummings, Accounting Services Manager Larry Dahl, Budget Manager Keith Swartz, Architectural Services Manager Dennis Cerreta, District Court Administrator Mike Neimon, Chief of Staff Ellen Nowak, Public Works Director Allison Bussler, Parks & Land Use Director Dale Shaver, Former Supervisor Bill Mitchell, Senior Financial Analyst Clara Daniels, and Legislative Associate Mary Pedersen.

### **Review Estimated 2010 Governmental Fund Balances (General, Special Revenue, Capital, Debt)**

Cummings and Dahl were present to discuss this item and 2011 estimates. Cummings distributed copies of "General & Special Revenue Funds – Expenditures, Unassigned Fund Balance."

Cummings said beginning in 2011, due to statements by the Governmental Accounting Standards Board, undesignated fund balance is no longer allowed in Special Revenue Funds. Those funds with balances are being moved to the General Fund which will simplify accounting procedures.

Aging & Disability Resource Center Family Care funds from the State now go directly to the managed care organization. Cummings said actually, increases since 2008 are the establishment of the internal service fund and is mostly Human Services targeted money from the State. In this budget, \$800,000 is targeted to reduce the wait list for children with disabilities, mostly pass-through money. This was a big increase, as was the recent Alcohol Treatment Court grant and health insurance. Cummings said our target is 15% of undesignated fund balance which would be used to cover about eight weeks of County operations. We could go to 14% during a recession but we will never go below 11%. It is estimated that we will be at 14.3% in 2011.

Falstad arrived at 8:36 a.m.

Cummings distributed information on tax receivable history and year-to-year differences for the General Fund Reserve as it related to delinquent taxes. He indicated in 2006 we had \$4.8 million in delinquent taxes which compares to \$10.2 million by year-end 2009. It is estimated this figure will be \$11.2 million by year-end 2010 and also year-end 2011. Cummings indicated it is the County that makes the underlying tax districts "whole." We pay for their delinquent taxes so for every dollar the County pays out, our fund balance goes down and this is becoming a concern due to the current economy. To answer Haukohl's question, Cummings said we do get interest and penalty but not as much as what is owed.

Cummings distributed information on tax levies and collections. He indicated Waukesha County has always led the state on delinquent taxes collected which is expected to continue, even with current economic conditions. Total levy collected by year-end is expected to be \$907,817,548 with

\$8,799,427 or 0.96% delinquent. This compares to last year when \$878,037,373 was collected at year-end with \$2,610,322 or 0.30% delinquent.

Cummings distributed copies of “Combining Balance Sheet – All Non-Major Capital Project Funds, December 31, 2009.” He advised capital project years 2006 to the present still have not closed out because some projects are still in progress. Money for all future capital projects will be considered designated. Total non-major capital projects funds (2001 through 2010, designated) total \$10.3 million. He noted that \$1.75 million from the Hwy. P project will bring that total to just over \$12 million for 2011 through 2015. Some of these funds will be used within the next five years to reduce the amount we need to borrow for levy.

Cummings distributed copies of “Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Debt Service Fund for the Year Ended December 31, 2009.” Cummings said we have about \$4 million in fund balance. We always want to over-budget, not under-budget, and we have done very well each year. The debt service fund balance has been allowed to grow because there will be two years where bond issues do not roll off. This money will be needed to get the levy effort up and the debt service to pay for new issues. This fund balance will help us in future years until the levy can sustain our debt service, at which point, the balance will go down and we will no longer rely on debt service fund balance. Our State *Constitution* requires governments to levy for their debt service; we cannot assume revenues for next year.

#### **Discuss and Consider Additional Individual Supervisor Amendments**

The committee discussed and/or debated the following amendments to the 2011 County operating budget. Departmental staff were present, and in some instances, provided brief input.

##### ***SPVR-1 (by Hutton); Department Fund: Public Works – Capital Projects***

Decrease Capital Project expenditures by \$250,000 and reduce Capital Project Fund Balance by \$250,000 to remove capital project #200914 Courthouse Future Study from the 2011 Capital Project budget.

Expenditure – (\$250,000)

Revenue – \$0

Appropriation of Fund Balance – (\$250,000)

Tax Levy - \$0

MOTION: Falstad moved, second by Meyer to approve SPVR-1.

MOTION: Hutton moved, second by Meyer to amend SPVR-1 whereby \$125,000 will go against the General Fund and \$125,000 will go against the tax levy. Motion carried 5-0.

The original motion to approve SPVR-1 was approved as amended 5-0.

##### ***SPVR-1 Alternative (by Hutton); Department Fund: Public Works – Capital Projects***

Decrease Capital Project expenditures by \$250,000 and reduce Capital Project Tax Levy by \$250,000 to remove capital project #200914 Courthouse Future Study from the 2011 Capital Project budget.

Expenditure – (\$250,000)  
Revenue – \$0  
Appropriation of Fund Balance – \$0  
Tax Levy – (\$250,000)

MOTION: Hutton moved to approve SPVR-1 Alternative. The motion failed for lack of a second.

***SPVR-3 (by Hutton); Department Fund: Public Works – Capital Projects***

Reduce 2011 Capital Project expenditures by \$3,616,500 and reduce Debt Borrowing by \$2,300,000; reduce Investment Income by \$80,000; reduce Capital Project Fund Balance by \$636,500 and reduce Capital Project Tax Levy by \$600,000 to remove funding for the 2011 portion of Capital Project #200615 Health and Human Services Building to eliminate design and construction funding for the new facility.

Expenditure – (\$3,616,500)  
Revenue – (\$2,380,000)  
Appropriation of Fund Balance – (\$636,500)  
Tax Levy – (\$600,000)

MOTION: Hutton moved to approve SPVR-3. The motion failed for lack of a second.

***SPVR-2 (by Hutton); Department Fund: Parks & Land Use – Capital Projects***

Reduce 2011 Capital Project expenditures by \$660,000 and reduce Debt borrowing by \$400,000; Capital Project Fund Balance by \$150,000 and Capital Project Tax Levy by \$110,000 to remove funding for the 2011 portion of Capital Project # 200505 - Restroom Renovations at Nashotah and Menomonee Parks.

Expenditure – (\$660,000)  
Revenue – (\$400,000)  
Appropriation of Fund Balance – (\$150,000)  
Tax Levy – (\$110,000)

MOTION: Hutton moved to approve SPVR-2. The motion failed for lack of a second.

***SPVR-4 (by Hutton); Department Fund: Debt Service Fund***

Reduce 2011 Debt Service Interest Expense Appropriations by \$86,250 and reduce the County Tax Levy by \$86,250 to adjust for a lower first year interest payment resulting from reducing the Debt borrowing level due to deletion of the 2011 budget appropriations for the Human Services Building Capital Project.

Expenditure – (\$86,250)  
Revenue – \$0  
Appropriation of Fund Balance – \$0  
Tax Levy – (\$86,250)

Because SPVR-3 was not approved, no action was necessary on SPVR-4.

***SPVR-5 (by Hutton); Department Fund: County Board-General Fund***

Increase one time unrestricted General Fund Balance use by \$125,000 to fund on-going operating expenses and decrease the County Tax Levy by \$125,000 in the General Fund County Board and Committees Operations program budget.

Expenditure – \$0

Revenue –\$0

Appropriation of Fund Balance – \$125,000

Tax Levy – (\$125,000)

MOTION: Hutton moved to approve SPVR-5. The motion failed for lack of a second.

***SPVR-6 (by Hutton); Department Fund: Non-Departmental-General Fund***

Increase one time unrestricted General Fund Balance use by \$175,000 to fund on-going operating expenses and decrease the County Tax Levy by \$175,000 in the Non-Departmental General Fund Budget.

Expenditure – \$0

Revenue – \$0

Appropriation of Fund Balance – \$175,000

Tax Levy – (\$175,000)

MOTION: Hutton moved to approve SPVR-6. The motion failed for lack of a second.

***SPVR-7 (by Hutton); Department Fund: Register of Deeds-General Fund***

Reduce Register of Deeds personnel costs by \$55,200 and reduce the County Tax Levy by \$55,200 to unfund a Clerk Typist II position currently vacant in the Real Estate program.

Expenditure – (\$55,200)

Revenue – \$0

Appropriation of Fund Balance – \$0

Tax Levy – (\$55,200)

MOTION: Hutton moved, second by Meyer to approve SPVR-7. Motion defeated 1-4. Hutton voted yes.

***SPVR-8 (by Hutton); Department Fund: Treasurer-General Fund***

Reduce County Treasurer personnel costs by \$55,200 and reduce the County Tax Levy by \$55,200 to unfund a Clerk Typist II position currently vacant in the following programs: Tax Collection / Processing program (0.25 FTE) and Administrative Services program (0.75 FTE).

Expenditure – (\$55,200)

Revenue – \$0

Appropriation of Fund Balance – \$0

Tax Levy – (\$55,200)

MOTION: Hutton moved to approve SPVR-8. The motion failed for lack of a second.

**Ordinance 165-O-059: Adopt 2011 Waukesha County Budget**

MOTION: Falstad moved, second by Zaborowski to approve Ordinance 165-O-059. Motion carried 4-1. Hutton voted no.

**Approve Minutes of Previous Meeting(s)**

MOTION: Hutton moved, second by Falstad to approve the minutes of October 6, 12, 13, 20 (two sets), 21, and 25. The minutes of October 6 were amended due to a typographical error. Motion carried 5-0 as amended.

**Schedule Next Meeting Dates**

- November 17

**Announcements**

Mader reminded the committee that next Tuesday's County Board meeting will begin at 9:00 a.m.

Haukohl announced that an update on Waukesha County Economic Development Corporation activities will be agendaized for a future County Board meeting. Updates on Waukesha County Tourism activities and County contributions to Wisconsin River Rail will either be agendaized for a future County Board or Executive Committee meeting. None of these three items, which were brought up by Finance Committee members as future agenda items at the last meeting, will come before the Finance Committee, per County Board Chair Jim Dwyer.

**Future Agenda Items**

- Review Cash Handling Procedures (Falstad)

MOTION: Hutton moved, second by Meyer to adjourn at 10:55 a.m. Motion carried 5-0.

Respectfully submitted,

Pamela Meyer  
Secretary